

To:

Secretary
Senate Select Committee on Free Trade Agreement between Australia and the USA
Suite S1.30.1
The Senate
Parliament House
CANBERRA ACT 2600

SUBMISSION RE USFTA

Prepared for the Australian Coalition for Economic Justice
by Janice Howard, Committee Member.

I wish to submit the following with regard to the Free Trade Agreement with the United States (USFTA).

The Proposed Dispute Process:

In our system of government we do not give absolute power to a duly elected body but rather limit this through debate by all elected representatives both in the House of Representatives and the Senate. From reading re the text of the so-called "Free" Trade Agreement, hearings re disputes may **or may not** be public, and the panel may **or may not** invite non government representatives to make written submissions. This severely limits parliamentary representatives in their tasks of monitoring legislation which affects the lives of their constituencies.

There needs to be much greater transparency **to the public** in a process which will directly affect them, especially considering that final decisions by the panel cannot be appealed.

The Pharmaceutical Benefits Scheme (PBS):

A reading of the text of the agreement makes it clear that this gives much greater power to the Pharmaceutical Companies to influence prices of medications listed on the PBS. It is essential that citizens be able to procure important, prescribed drugs without undue cost. A failure to ensure this means not only undue suffering to the persons needing the drugs but also escalating costs to the public through prolonged, increased debility of sufferers which will demand ongoing medical treatment and probably recurring hospitalisation.

Extension of copyright:

The adoption of the US copyright law in exchange for our own means the extension of copyright from 50 to 70 years after the death of an author. There is no provision, I understand, to allow the more generous US allowance for copying for research and education purposes. This would mean higher costs for libraries and education bodies. The Australian Intellectual Property and Competition Review Committee recommended that copyright not be extended without a public inquiry. Again there is a question of public information.

Services:

While there is a statement that "public services" are excluded, we have to watch the definition. When we read that "public services" refers to those **"not supplied on a**

commercial basis, nor in competition with one or more service suppliers”, we think of many services supplied by governments in competition with the non-government sector e.g. health, education, water, energy and postal services. We can have no confidence in the safety of our “public services”. Furthermore, Australia must give US Companies “full market access”, equal with Australian Companies - shades of the old MAI (Multi-lateral Agreement on Investments)! Even blood services are treated as traded goods, despite a 2001 review by Sir Ninian Stephen which stated that blood products should be supplied by the Australian Commonwealth Serum Laboratory for reasons of health and national security.

There is lack of clarity with regard to ‘reservation’ of the services of social welfare, public education, health and child care. The agreement states that they are reserved only ‘to the extent that they are established or maintained for a public purpose’. It is hard to see how such services could be for other than a ‘public purpose’. This arouses suspicion re the intention behind the inclusion of this proviso.

Water:

Despite widespread public concern expressed on the issue of water, water services have not been excluded. I have read of the costs of privatisation of water in other countries, notably Bolivia. While the agreement assumes that public water services will be protected, this is an assumption that is not supported in the text of the agreement and as many water services are already delivered on a commercial basis, the “protection” is of dubious value.

Water supply needs to be clearly excluded from the agreement in our very dry continent where we need to have sovereign control of its use and preservation.

Australian content in film, television and music:

The last thing our society needs is a diet of rowdy, violent American films. Over the years we have struggled to develop our own culture, largely through promotion of our own scripting and production of film, television and music. We have the talents, especially considering the giftedness of our Aboriginal people in the area of the arts.

Quarantine

I note in the agreement that two groups that deal with matters of quarantine both have as an objective the facilitation of trade. We have seen the devastation caused in many countries of the world through imported diseases affecting crops and livestock. The principal concern with regard to quarantine should be to subject “facilitation of trade” to scientific scrutiny. Otherwise it is a matter of being “penny wise and pound foolish”.

Environment

According to the agreement, protection of the environment is to be through “flexible, voluntary and market-based mechanisms”. Our experience has shown that such mechanisms are not sufficient to protect the environment from the pressures of competition in trade.

I trust the Senate Select Committee will give serious consideration to these matters and not allow this so-called “free trade” agreement to do harm to our Australian people.

Janice M Howard 1/5/04

Janice M. Howard, for the Australian Coalition for Economic Justice.